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New report confirms gas is Australia's natural advantage

Natural gas is a "super growth industry" that could lift Australia's next wave of economic prosperity over the next 20 years, a new report has found.

The report released today by Deloitte Access Economics (DAE) entitled *Positioning for prosperity? Catching the next wave* says Asia's increasingly prosperous nations will make farming, natural gas exports, tourism, international education and wealth management, the potential boom industries for Australia over the next two decades.

The report says all five sectors, if handled well, will add \$25 billion to Australia's Gross Domestic Product by 2033 yet the introduction of red and green tape is slowing gas projects and discouraging groups from starting new ones.

Even ignoring the impact of the high \$A, the cost of labour and critical inputs has skyrocketed in Australia over the past few years. This has made the cost of building LNG projects higher in Australia than alternatives in East Africa and North America.

...although the current round of investments is turbocharging the outlook for Australian output, cost concerns will need to be addressed to power us beyond 2020. (Source: DAE report Positioning for prosperity? Catching the next wave p. 26)

Around \$150 billion worth of gas projects in Australia are currently being assessed by potential investors.

The new Parliament must address Australia's sliding competitiveness before the potential for more big natural gas projects are lost to North America or East Africa. Only yesterday it was reported that Malaysia is planning to spend \$37 billion on an LNG project in Canada – the largest direct investment in Canada by any country.

Australia has enormous potential supplies of natural gas but a failure to maintain our competitive advantage through the development of natural gas will see a loss of jobs, cleaner energy and future tax revenues.

To learn more visit ournaturaladvantage.com.au and support Australia's natural advantage.

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